

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Freedom Post Office
Freedom, Wyoming 83120

Docket No. A2011-93

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(November 20, 2011)

On September 27, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked September 12, 2011, from postal customers, Gary, Dee and Ida Hokanson, (Petitioners) objecting to the discontinuance of the Post Office at Freedom, Wyoming. On September 30, 2011, the Commission issued Order No. 886, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The Commission also received a PRC Form 61 from Petitioner Gary Hokanson. From Petitioner Ida Hokanson the Commission received a supplement to her original appeal correspondence. Additionally, the Commission received correspondence from Rebecca May and a Notice from some of the citizens of Freedom, Wyoming.¹ In accordance with Order No. 886, the administrative record was filed with the Commission on October 12, 2011.

The appeals received by the Commission on September 27, 2011, raise three main issues: (1) the effect on postal services, (2) the impact upon the Freedom community, and (3) the calculation of economic savings expected to result from

¹ Ms. May's comments concern her objections to the establishment of a Village Post Office in Freedom, which was ruled out as an option by the Postal Service, as noted in the Final Determination at page 8. The Notice from a group of citizens of Freedom restates the concerns raised by Petitioner Gary Hokanson, which will be addressed below.

discontinuing the Freedom Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,² the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Freedom Post Office should be affirmed.

Background

The Final Determination To Close the Freedom, WY Post Office and Extend Rural Route Service (FD), as well as the administrative record, indicate that the Freedom Post Office provides EAS-11 level service to 168 Post Office Box customers, four general delivery customers, and retail customers 43 hours per week.³ The postmaster of the Freedom Post Office was promoted on June 1, 2009.⁴ A noncareer Postmaster Relief employee was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the noncareer OIC may be separated from employment.⁵ The average number of daily retail window transactions at the Freedom Post Office is 14. Revenue has been declining: \$30,871 in FY 2008; \$25,056 in FY 2009; and \$24,642 in FY 2010.⁶ The Freedom Post Office has two meter and two permit customers.⁷

² See 39 U.S.C. 404(d)(2)(A).

³ Item No. 15. In these comments, specific items in the administrative record are referred to as "Item _____."

⁴ Item No. 18.

⁵ Item No. 15.

⁶ Item No. 18.

⁷ Id.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery to cluster box units (CBUs) administered by the Afton Post Office, an EAS-18 level office located 21 miles away, which has 11 available Post Office Boxes.⁸ Retail services will also be available from the Thayne Post Office, which is six miles from Freedom and has an additional 13 Post Office Boxes available. This service will continue upon implementation of the FD.⁹

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Freedom Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Freedom Post Office. Questionnaires were also available over the counter for retail customers at Freedom.¹⁰ A letter from the Manager of Post Office Operations, Denver, CO was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Freedom Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Afton Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a

⁸ Id.

⁹ FD at 1.

¹⁰ FD at 1; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Freedom Post Office, at 1.

possible change involving rural route delivery.¹¹ The returned customer questionnaires appear in the administrative record.¹² In addition, representatives from the Postal Service were available at the Freedom Post Office for a community meeting on May 18, 2011, to answer questions and provide information to customers.¹³ Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Freedom Post Office and the Afton and Thayne Post Offices from June 6, 2011 to August 7, 2011.¹⁴ The FD was posted at the same Post Offices starting on August 28, 2011 and ending on September 30, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.

In light of the postmaster vacancy, a minimal workload, low office revenue,¹⁵ the variety of delivery and retail options (including the convenience of rural delivery and retail service),¹⁶ very little growth in the area,¹⁷ minimal impact upon the community, and the expected financial savings,¹⁸ the Postal Service issued the FD.¹⁹ Regular and effective postal services will continue to be provided to the Freedom community in a cost-effective manner upon implementation of the final determination.²⁰

¹¹ The Optional Comments are not labeled with an item number in the Administrative Record. They appear as pages 119 through 164 of the 324-page pdf.

¹² The questionnaire responses appear at pages 165-314 of the 324-page Administrative Record pdf.

¹³ Item No. 24.

¹⁴ Item No. 32.

¹⁵ Item No. 18.

¹⁶ Item No. 33.

¹⁷ Item No. 16.

¹⁸ Item Nos. 17 and 33.

¹⁹ FD at 5-7.

²⁰ FD at 1.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Freedom Post Office on postal services provided to Freedom customers. The closing is premised upon providing regular and effective postal services to Freedom customers.

The Petitioners raise the issue of the effect on postal services of the Freedom Post Office's closing, noting that receiving postal services from the rural carrier will be a "major inconvenience" to customers. The Petitioners express particular concern about the possibility that prescription drugs left in mailboxes may be adversely affected by weather conditions and about vandalism and theft. Each of these concerns was considered by the Postal Service.

Upon the implementation of the final determination, delivery services will be provided by rural route delivery emanating from the Afton Post Office. The rural carrier is able to provide most of the services that would ordinarily be used by retail customers at the Freedom Post Office. Most of these transactions do not require the customer to be present, but they may be transacted over the course of more than one day, in that case. If customers find doing business with the rural carrier inconvenient, retail window services are available at both the Thayne Post Office and the Afton Post Office. The Thayne Post Office offers Saturday window service. When the FD is implemented

customers will receive rural delivery service and will have 24-hour access to their mail which will be deposited into locked CBUs.²¹

The concern raised by Mr. Hokanson about the possible degradation of prescription drugs left in mailboxes does not appear to have been raised prior to the appeal, although security of prescriptions left in mailboxes was. The locked CBUs that will be provided for the customers of the Freedom community will offer a secure, sheltered environment for all of the mail received there. Degradation of prescription drugs left in mailboxes does not appear to be a problem, generally, and there is no reason to believe that it is a problem specific to the customers of the Freedom Post Office. The Postal Service has considered the impact of closing the Freedom Post Office upon the provision of postal services to Freedom customers. Rural route delivery to CBUs installed on the carrier's line of travel provides similar access to retail service, while alleviating the need to travel to the Post Office.²² Thus, the Postal Service properly concluded that all Freedom customers will continue to receive regular and effective service via rural route delivery to CBUs installed on the carrier's line of travel.

Effect Upon the Freedom Community

The Postal Service is obligated to consider the effect of its decision to close the Freedom Post Office upon the Freedom community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices,

²¹ FD at 2.

²² Item No. 33.

and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Freedom is an unincorporated rural community located in Lincoln County. The community is administered politically by both Lincoln County, Wyoming and Caribou County, Idaho. The Lincoln County Sheriff's Department provides police protection. Fire protection provided by the Thayne Fire Department. The residents of Freedom include summer home owners, retirees and commuters working within Star Valley and Jackson. Many local residents are self-employed, including farmers and ranchers.²³ The questionnaires completed by Freedom customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Freedom must travel elsewhere for other supplies and services.²⁴

The Petitioners letters of appeal and subsequent submissions raise the issue of the effect of the closing of the Freedom Post Office upon the Freedom community identity and questioned inconsistency in the Administrative Record concerning whether the ZIP Code for Freedom would be retained. This issue was extensively considered by the Postal Service, as reflected in the administrative record.²⁵ The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. While it is true that the Postal Service's responses to this issue have been inconsistent with regard to whether the ZIP Code for Freedom's residents would remain the same, there is no inconsistency in the Postal Service's

²³ Item No. 16.

²⁴ See generally, pages 164-314 of the 324-page Administrative Record pdf.

²⁵ FD, at 2 - 7.

representations that the town's name, Freedom, will remain a part of its residents' addresses. Communities generally require regular and effective postal services and these will continue to be provided to the Freedom community

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Freedom Post Office on the community served by the Freedom Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Freedom Post Office and would still provide regular and effective service.²⁶ The estimated annual savings associated with discontinuing the Freedom Post Office are \$41,210.²⁷

Petitioner Ida Hokanson offers the suggestion that by including commercial revenue in the revenue attributed to the Freedom Post Office, the cost of keeping the office open is exceeded by the revenue. However, whether a particular post office is "self-sustaining" is not the question that the Postal Service addresses when it considers discontinuing a post office. The relevant question is whether regular and effective postal services can be provided to the community in a more cost-efficient way. In this case, the Postal Service determined that alternate service could be provided at an annual savings of approximately \$41,210.

²⁶ Item No. 21.

²⁷ Item No. 33 at 7.

Petitioner Gary Hokanson suggests alternatives, such as closing all post offices on Saturdays, that he believes the Postal Service should pursue before closing the Freedom Post Office and other rural post offices. The Postal Service has broad experience with and has considered similar options. In the current environment, the Postal Service has determined that case by case consideration of how it provides postal services to communities is the most effective means it has at its disposal for reducing the costs of delivery, while continuing to provide effective and regular service to communities throughout the nation, including Freedom, Wyoming.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service determined that carrier service is more cost-effective than maintaining the Freedom postal facility and postmaster position.²⁸ The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster was promoted on June 1, 2009. A noncareer Postmaster Relief was

²⁸ FD at 8.

installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the noncareer OIC may be separated, but attempts will be made to reassign this employee to a nearby facility. The record shows that no other employee would be affected by this closing.²⁹ Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Freedom Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Freedom Post Office on the provision of postal services and on the Freedom community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Freedom customers.³⁰ The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Freedom Post Office should, accordingly, be affirmed.

²⁹ FD at 9.

³⁰ Id.

The Postal Service respectfully requests that the determination to close the Freedom Post Office be affirmed.

Respectfully submitted,

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